

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)
CELSIUS NETWORK LLC, *et al.*,¹) Chapter 11
Debtors.) Case No. 22-10964 (MG)
) (Jointly Administered)
)

**SECOND INTERIM FEE APPLICATION OF CENTERVIEW PARTNERS LLC,
AS INVESTMENT BANKER TO THE DEBTORS' FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
NOVEMBER 1, 2022 THROUGH FEBRUARY 28, 2023**

Name of Applicant:	Centerview Partners LLC
Authorized to Provide Professional Services to:	Debtors
Date of Retention:	September 16, 2022 effective as of July 13, 2022
Period for which compensation and/or reimbursement is sought:	November 1, 2022 through February 28, 2023
Amount of Compensation sought as actual, reasonable, and necessary:	\$2,000,000.00²
Amount of Expenses sought as actual, reasonable, and necessary	\$2,195.04
Total Amount of Compensation Requested:	\$2,002,195.04

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

² Centerview's retention was approved pursuant to the terms set forth in the Engagement Letter dated as of June 19, 2022 (the "Engagement Letter"), subsequently amended as per Order Authorizing the Employment and Retention of Centerview Partners LLC [Docket No. 846] and further amended as per the Order Authorizing the Expanded Scope of Employment and Retention of Centerview Partners LLC [Docket 2200].

This is a: monthly x interim final application

The total time expended for fee application preparation was approximately 15.0 hours.

FEE SUMMARY

Date Filed	Period Covered	Requested		Paid		Balance Due (incl. holdbacks)
		Fees⁽¹⁾	Expenses	Fees	Expenses	
4/14/2023	11/1/2022-2/28/2023	\$2,000,000.00	\$2,195.04	\$2,000,000.00	\$2,195.04	\$0.00
Total	11/1/2022-2/28/2023	\$2,000,000.00	\$2,195.04	\$2,000,000.00	\$2,195.04	\$0.00

^[1] Comprised of Monthly Advisory Fees of \$200,000 for November and December 2022, Monthly Advisory Fees of \$250,000 for January and February 2023 following approval of amended Engagement Letter [Docket 2200] and Sale Transaction Fee of \$1,100,000 in connection with sale of GK8. Sale Transaction Fee for GK8 based on 2.50% of Aggregate Consideration of \$44,000,000.

TIME ENTRIES BY CENTERVIEW PROFESSIONALS

Name of Professional Individual	Position of the Applicant and Area of Expertise	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Marc Puntus	Partner	NA	308.0	NA
Sean Carmody	Partner	NA	48.0	NA
Ryan Kielty	Partner	NA	373.5	NA
Seth Lloyd	Partner	NA	69.5	NA
Bob Beasley	Managing Director	NA	520.0	NA
Daniel Bendetson	Principal	NA	739.0	NA
Zachary Mohamed	Analyst	NA	1,002.5	NA
Benjamin Goldstein	Analyst	NA	958.0	NA
TOTALS		NA	4,018.5	NA

TIME ENTRIES BY CATEGORY

Project Categories	Total Hours	Total Fees
Travel	0.0	NA
CVP Internal Coordination	207.5	NA
Preparation of Analysis / Materials	2,048.0	NA
Diligence Responses	380.5	NA
Coordination with Stakeholders and Professionals	201.5	NA
Sale Process	809.5	NA
Coordination with Celsius	12.5	NA
Coordination with Debtor Professionals	229.5	NA
Chapter 11 Court Process	129.5	NA
TOTAL	4,018.5	

EXPENSE SUMMARY

Expense Category	Service Provider (if applicable)	Total Expenses
Transportation	NA	\$1,649.07
Business Meals	NA	\$799.76
Meals	NA	\$1,617.11
Total Expenses Billed⁽¹⁾		\$3,789.10
(Less): Write-Offs Associated with First Fee Examiner Report ⁽²⁾		(\$485.36)
(Less): Voluntary Write-Offs ⁽³⁾		(\$1,108.70)
Expenses for Reimbursement		\$2,195.04

¹ Includes write-off of \$276.84 of expenses from First Interim Fee Application that are not reflected in transportation, overtime meals and client meals line-items.

² Reflects write-off mutually agreed to with the Fee Examiner with respect to Centerview's First Interim Fee Application and will be subsequently credited to future expenses.

³ Comprised of voluntary write-offs to be credited against future out of pocket expenses. Includes overtime expenses incurred by support staff, overtime car rides from the office in excess of \$100, overtime meals in excess of \$40 and other expenses not permitted under UST guidelines.

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TO THE HONORABLE MARTIN GLENN,
UNITED STATES BANKRUPTCY JUDGE:

Centerview Partners LLC, (“Centerview”), investment banker to Celsius and its affiliated debtors and debtors-in-possession (collectively the “Debtors”), hereby submits its Second Interim Fee Application (the “Interim Application”) for allowance of compensation for professional services rendered to the Debtors and for approval of actual and necessary expenses incurred in connection with such services from November 1, 2022 through and including February 28, 2023 (the “Interim Application Period”) as set forth in their engagement letter (the “Engagement Letter”), attached hereto as Exhibit A.

JURISDICTION, VENUE AND STATUTORY PREDICATES

1. The United States Bankruptcy Court for the Southern District of New York (this “Court”), has jurisdiction over this Interim Application pursuant to 28 U.S.C. §§ 157 and

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1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and this Interim Application in this District is proper pursuant to 28 U.S. C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rules 2014-1 and 2016-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Bankruptcy Rules”).

BACKGROUND

3. On July 13, 2022 (the “Petition Date”), the Debtors filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York.

4. On September 16, 2022, this Court entered an Order authorizing the Debtors to employ and retain Centerview as investment banker nunc pro tunc to the Petition Date (the “Retention Order”), attached hereto as **Exhibit B**.

COMPENSATION REQUEST

5. Centerview seeks allowance of compensation for professional services rendered to the Debtors during the Interim Application Period in the aggregate amount of \$2,000,000.00 and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$2,195.04, for a total award \$2,002,195.04 (the “Interim Compensation Amount”).

SUMMARY OF SERVICES

6. The Partners, Managing Director, Principal and Analysts of Centerview who rendered professional services during the Compensation Period in these cases are as follows: Marc Puntus, Sean Carmody, Ryan Kielty, Seth Lloyd, Bob Beasley, Daniel Bendetson, Zachary Mohamed and Benjamin Goldstein.

7. During the Compensation Period, the Debtor relied heavily on the experience and expertise of the above-named persons in dealing with matters described in Paragraph 8. As a result, Centerview's highly skilled professionals devoted significant time and effort to perform properly and expeditiously the required professional services.

8. A summary of some of the services rendered by Centerview during the Compensation Period are as follows:

A. *Assistance with General Bankruptcy* — Centerview participated in weekly, if not daily, planning sessions and other periodic meetings with the Debtors and their advisors concerning process and strategy issues related to the bankruptcy. Centerview held numerous meetings with the Debtors' management team and prepared materials on the bankruptcy process, various M&A workstreams and other strategic issues. In addition, Centerview participated in frequent discussions with the advisors to the Committee of Unsecured Creditors to keep them apprised of the Debtors' strategy, provide updates on the various M&A processes including facilitating direct discussions with interested parties and responding to numerous diligence requests.

B. *Sale Process for Debtors' Retail Platform* — Centerview continued a marketing process for the Debtors' Retail Platform. Centerview contacted over 80 interested parties, participated in daily discussions with interested parties and maintained a comprehensive virtual data room to support diligence. In addition, Centerview made multiple presentations to the Debtors and the Committee of Unsecured Creditors to update them on the process. Following a comprehensive marketing process, Centerview, alongside the advisors to the Committee of Unsecured Creditors, reviewed, analyzed and negotiated the various proposals to maximize recovery to creditors. This included preparing a detailed waterfall analysis to determine the recovery to creditors. Ultimately, the Debtors, with support from the Committee of Unsecured Creditors, designated NovaWulf as the stalking horse plan sponsor for all of the Debtors' assets.

- C. Sale Process for Debtors' Mining Business* – Centerview launched a comprehensive sale process for the Debtors' Bitcoin mining business. Centerview contacted over 75 potential parties, prepared introductory presentation materials, participated in frequent diligence discussions with interested parties and maintained a comprehensive virtual data room to support diligence. Following a comprehensive marketing process, Centerview, alongside the advisors to the Committee of Unsecured Creditors, reviewed, analyzed and negotiated various mining bids in order to determine the value maximizing solution for creditors.
- D. Development of Plan of Reorganization* — Centerview, in conjunction with the Debtors' other advisors, continued to assist in the development of a standalone reorganization plan of the Debtors' existing business. Centerview provided financial analysis and guidance to support the development of a standalone plan of reorganization. Ultimately, the Debtors, advisors and Committee of Unsecured Creditors determined a sale process was the value maximizing solution for creditors.
- E. Sale Process for GK8* – Centerview finalized a sale of the Debtors' cold-wallet technology business, GK8, to Galaxy Digital. Centerview facilitated confirmatory diligence and assisted in the negotiations of the Asset Purchase Agreement and retention package. In addition, Centerview prepared various analyses to evaluate the net proceeds available to the estate and tax implications.
- F. Preparation of Court Filings* — Centerview assisted the Debtors and their legal advisor in the preparation and review of various court filings. Centerview aided the Debtors and their other advisors in testimony and deposition preparation and prepared a detailed presentation for the court summarizing NovaWulf's bid.

ACTUAL AND NECESSARY DISBURSEMENTS OF CENTERVIEW

- 9. Centerview expended \$2,195.04 in out-of-pocket expenses relating to its professional services during the Interim Application Period. These charges are intended to cover Centerview's out-of-pocket costs paid to third parties related to this engagement, which costs are not incorporated into Centerview's aggregate fees. Centerview has maintained detailed records of actual and necessary expenses incurred during the Interim Application Period. Centerview's expense policy permits reimbursement of overtime meals and car rides homes for bankers working

past 8pm. Centerview has only billed the Debtors \$40 per overtime meal and up to \$100 per car ride in accordance with the UST Guidelines, resulting in a reduction of over \$500 in overtime meal expenses and more than \$550 in overtime car ride expenses. In addition, Centerview credited \$485.36 of expenses that Centerview voluntarily waived during the First Interim Fee application towards expenses that were incurred during this Fee Period.

10. It is respectfully submitted that the amount requested by Centerview is fair and reasonable given (a) the complexity of the issues presented, (b) the time and labor required, (c) the skill necessary to perform the financial advisory services, (d) the preclusion of other employment, and (e) the customary fees charged to clients in bankruptcy and non-bankruptcy situations.

WHEREFORE, Centerview respectfully requests the Court enter an order:

- (i) awarding on an interim basis aggregate fees in the amount of \$2,000,000.00 and aggregate expenses in the amount of \$2,195.04 for the Interim Application Period.
- (ii) approving the Debtors' payment of all allowed fees for services rendered and expenses incurred by Centerview in connection with this chapter 11 case that remains unpaid as of the date of entry of the Order; and
- (iii) granting Centerview such other and further relief as is just and proper.

Dated: April 14, 2023

/s/ Marc D. Puntus

Marc D. Puntus
Partner
Centerview Partners LLC